

# THE AMERICAN COLLEGE BULLETIN

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## THE FINANCIAL CONDITION OF THE COLLEGES

There has been no little anxiety among the friends of Christian Education, in view of the well-known strain of the past year upon the colleges. Again and again have the questions been forced upon us. "Will the colleges be able to pull through?" "How long can they stand the pressure of the war?"

Reports that have just come in indicate that, while the pressure has been very great, necessitating extraordinary efforts in framing and raising war budgets, financially the colleges have won through the first year of the war in a remarkable way. Scarcely any institutions of standard college rank have been forced to close their doors although some ten or twelve schools of lower grade have suspended for reasons more or less connected with the war. In a number of instances colleges for the first time are enjoying an increase in their income as a result of endowment campaigns previously completed. While it has been necessary to effect economies where possible and to solicit additional gifts in order to offset losses in tuition and increased costs, the average net deficit has not been large. The college plants are intact (during the Civil War a number of colleges were partly destroyed) and there is every reason to believe that the permanent elements in college life will survive at least two years of war without loss in efficiency.

### Falling Off In Tuition.

Returns which have come in from 150 institutions exclusive of State Universities show rather heavy losses in tuition. For 74 institutions this decrease amounted to \$468,330. 31 other institutions reporting on this point found no change in tuition receipts. Assuming that this is a representative group the loss in tuition for the higher educational institutions of the entire country as compared with the previous year, is approximately two million dollars. This estimate is confirmed also by the calculation which we made last fall based on the number of men who were leaving college for the National Army. It

is a significant fact that the loss falls entirely on church and independent institutions since the State universities are not concerned with tuition charges.

### **Increased Cost.**

Another financial burden which the colleges have been compelled to shoulder is involved in the steadily increasing cost of supplies. 64 institutions show an increase in their budgets from this source amounting to \$353,327, while a considerable number of other schools are unable to give the exact figures for the increase. For the most part this is due to the rise in the price of coal, laboratory supplies, general supplies and wages. Up to the present time the net budgets for instruction have been practically unchanged and in some cases economies effected by consolidating classes or releasing the faculty men for war service. It is anticipated, however, that the cost of instruction will be notably greater during the next year. Considering the higher educational field as a unit again, with the exception of the state institutions, it is evident that the colleges have suffered a loss in increased costs fully equal to the decrease in income from tuition, so that the college president during the last year has faced the problem of maintaining the institution in spite of a decrease of at least four million dollars in actual purchasing power.

### **HOW HAVE THESE LOSSES BEEN MET?**

The most obvious way to meet losses due to the war was by rigid economy in administration. Fifty institutions report economies in instruction alone to an aggregate of \$153,000 and apparently the quality of instruction thus far has not been impaired, as the reduction in the number of students in some institutions resulted in a more economical working unit. It is true that a large number of choice faculty men have gone into various forms of war service but they will return stronger rather than less efficient as a result of that experience.

With prices steadily rising it has been difficult to introduce economies on the side of maintenance of institutions. For example, the University of Chicago had to pay \$45,000 more than usual for its coal, \$9,000 additional wages to unskilled employees, and \$20,000 additional for laboratory material. On the other hand, the policy of cutting off all superfluous items, even the time-honored college catalogue in some cases, has made a saving of \$167,500 distributed over forty schools.

A second method of meeting the financial problem is the general tendency to increase tuition and charges for board and room. Fully one-third of the institutions have raised their tuition charges or decided to raise them for the coming year. The average charge of those making a change in this item was formerly \$36.20 per semester as against the new charge of \$44.70. This represents an increase of 20 per cent for the institutions which are voting an increase, but the average for the

entire group would be very much less. Properly speaking board and room are not a legitimate item in the educational budget of a college, but so many institutions assume responsibility for providing this service that the financial considerations materially affect the school. Fully one-half of those reporting which offer board and room have raised their charges from an average of \$95.50 per semester to \$108.50, an increase of 13.6-10 per cent. There is no uniformity in the charges of the 75 or more schools which replied to inquiries on this point, but the relative increase is the same all along the line.

### **War Emergency Funds.**

The most important activity undertaken with a view to protecting colleges from permanent loss is found in the solicitation of emergency funds to tide over the crisis. Several institutions were protected by the new income on recent endowment pledges. Some of the larger institutions as a matter of policy were conservative in framing their budgets and had surplus from previous years. The great majority of colleges have been compelled to go into the field for emergency gifts and to rally alumni, friends and trustees to their support. There have been some notable evidences of generosity in which the trustees have guaranteed to meet the college deficit out of their own pockets regardless of the amount. The great safeguard of the colleges has been the generosity of friends of higher education, even when they were overwhelmed with other appeals for help. During the early part of the year there was much uncertainty as to the wisdom of pressing campaigns. Many hard-headed business men advised against such a policy in times of war. In nearly every case, however, results have justified the continued appeals, both for endowment and current funds. The remarkable achievement of the Methodist Board in completing twenty-seven million of their Jubilee Campaign is now a matter of history. A number of other local campaigns have also met with success.

The response to appeals for emergency funds to meet the present situation seems to have been very gratifying. 15 institutions state that their gifts for current expenses are \$185,000 in excess of the previous year. 30 other colleges found their receipts of this character quite as large as usual and only seven schools report a definite decrease in this account. While the future is necessarily one of great uncertainty, as many college executives point out, the continued liberality of friends of education during the past year gives additional hope for the coming year.

### **DEFICITS.**

It is somewhat difficult to strike a balance on the record of the last few months as the situation is rapidly changing. On the basis of regular budgets for the previous year 45 institutions report the year closed free from indebtedness. Ten others have a very slight balance against them,

and 56 colleges estimate a lack of \$517,000. From this figure, however, should be deducted the emergency funds collected, which in fifteen of these institutions alone amounted to \$200,000. As the campaign for emergency funds is still on in many cases, the Disciples, for example seeking a fund to cover \$300,000 in deficits this year, the United Presbyterians asking for \$25,000 for their five colleges, it is probable that by a special effort the colleges will enter the new year practically free from the burden of deficits for current expense.

In view of the obstacles which have been overcome this is beyond question a remarkable achievement. The coming year will doubtless be harder than the past and every friend of Christian Education must do double duty in this time of need. However, there are three things written into the record of the past year which enable us as friends of the College to hold our heads a little higher and to press forward with greater confidence and energy.

First: The country has come to realize that it can do no better than to utilize to the full the educational agencies already at hand, and it is taking steps to do this right now.

Second: The colleges have given unstintingly of their best in man power, research, enthusiasm, and spiritual interpretation of the war, to an extent which no one thought possible. They will therefore deserve of the future the best that the country can give and the outlook for education after the war was never so bright.

Third: By demonstrating a capacity to live within their income, to manage wisely the funds entrusted to them, securing a maximum output on a minimum expenditure, colleges have commended themselves to the confidence of sound business-men and the Church may invest its funds with the assurance that its trust will not be misplaced.

### **A NATIONAL DRIVE.**

The national drive in behalf of college student enlistment—proposed in a previous issue of the Bulletin—is now being launched and will continue for the next two months with headquarters at Washington.

This campaign has the official endorsement of President Wilson, who will prepare a statement regarding the urgent need of college trained men, and is authorized by the War Department. It will be promulgated through the agency of the Emergency Council on Education. Dr. Kelly has been chosen the Executive Secretary of the Emergency Council during this campaign and has entered upon his work at Washington. Communications should be addressed care of the Emergency Council on Education, 308-311 Munsey Building, Washington, D. C.

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